
HOUSE BILL 3088

State of Washington

56th Legislature

2000 Regular Session

By Representatives Sullivan and Kastama

Read first time 01/28/2000. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to check cashers and sellers; amending RCW
2 31.45.073 and 31.45.170; adding a new section to chapter 31.45 RCW; and
3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 31.45.073 and 1995 c 18 s 2 are each amended to read
6 as follows:

7 (1)(a) No licensee may engage in the business of making small loans
8 without first obtaining a small loan endorsement to its license from
9 the director in accordance with this chapter. An endorsement will be
10 required for each location where a licensee engages in the business of
11 making small loans, but a small loan endorsement may authorize a
12 licensee to make small loans at a location different than the licensed
13 locations where it cashes or sells checks or drafts. A licensee may
14 have more than one endorsement.

15 (b) The director shall not issue any small loan endorsements after
16 the effective date of this act.

17 (2)(a) A licensee that has obtained the required small loan
18 endorsement may charge interest or fees for small loans not to exceed
19 in the aggregate fifteen percent of the principal amount borrowed. The

1 licensee shall disclose the amount charged under this subsection in
2 writing as a percentage of the amount loaned and shall annualize this
3 percentage by multiplying this percentage by twenty-four for a two-week
4 loan and by twelve for a four-week loan no later than the time the
5 small loan is made. The director may determine by rule which fees, if
6 any, are not subject to the fifteen percent limitation.

7 (b) In all printed advertising, a licensee shall disclose the
8 following using a five hundred dollar small loan for thirty days as the
9 example: (i) The total cost of the small loan; and (ii) the equivalent
10 of an annual percentage rate which shall be the amount in (b)(i) of
11 this subsection as a percentage of five hundred dollars multiplied by
12 twelve.

13 (3) In connection with making a small loan, a licensee may advance
14 moneys on the security of a postdated check or draft provided the time
15 period between the date the loan is granted and the date of the
16 postdated check does not exceed thirty-one days. A licensee shall
17 deposit all postdated checks or drafts as soon as practicable after the
18 date of the check or draft has passed.

19 (4) No person may at any time cash or advance any moneys on a
20 postdated check or draft in excess of the amount of goods or services
21 purchased without first obtaining a small loan endorsement to a check
22 casher or check seller license.

23 **Sec. 2.** RCW 31.45.170 and 1994 c 92 s 289 are each amended to read
24 as follows:

25 Every licensee violating or failing to comply with any provision of
26 this chapter or any lawful direction or requirement of the director is
27 subject, in addition to any penalty otherwise provided, to a penalty of
28 not more than one (~~hundred~~) thousand dollars for each offense, to be
29 recovered by the attorney general in a civil action in the name of the
30 state. Each day's continuance of the violation is a separate and
31 distinct offense.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 31.45 RCW
33 to read as follows:

34 Every applicant for a license or endorsement under this chapter
35 made after the effective date of this act shall undergo a record check
36 through the Washington state patrol criminal identification system
37 under RCW 43.43.830 through 43.43.838, 10.97.030, and 10.97.050 and

1 through the federal bureau of investigation. The record check shall
2 include a fingerprint check using a complete Washington state criminal
3 fingerprint identification card. The director shall recover the cost
4 of the record check required under this section from the licensee.

5 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately.

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